

REMARKS

In the Office Action of November 3, 2005, claims 1 – 18 were rejected under 35 U.S.C. 102(a) as anticipated by Williams, USP 5,999,918. Claims 1-9 and 15-18 were also rejected under 35 U.S.C. 112, paragraph 2 became “value of an asset” in claims 1, 7 and 15 lacked antecedent basis.

In a response to the rejection under 35 U.S.C. 112, second paragraph, the preamble of each of the independent claims has been amended to refer to an asset having a value that varies over time thereby creating an antecedent for the later recitation of value of an asset. Since these claim amendments merely correct an antecedent, they are not believed to change the scope of claims.

The rejection of claims 1-18 as anticipated by USP 5,999,918 is respectfully traversed. Applicants' invention relates to the creation and pricing of options. As set forth at page 1, lines 7-8 of the specification, an option is a contract that gives its owner the right to buy or sell some asset at a pre-specified price. The '918 patent, however, is a method of generating estimates of the performance of different financial portfolios and conveying this information to a user, typically by means of display. For example, in Figs. 1a-1c, which are described at Col. 6, line 27 to Col. 8 line 11, the volatility and holding period of an investment can be entered in combined risk window 04 and the risk involved in such an investment is displayed in a variety of ways including a color display 14. And in Figs. 1d-1e, which are described at Col. 10, line 60 to Col. 11, line 52, a savings goal can be entered at button 16-1 and a savings rate at button 16-2 or slider 18 and the probability of achieving that goal is displayed on bar graph 20. Regrettably, the Examiner's rejection does not point to specific relevant teaching of the '918 patent but only cites Col. 6, line 25 to Col. 11, line 52 and the 17 sheets of drawings that constitute Fig. 1a-1n and 2a-2c.

While some of these estimates can include a probability that a particular result will be achieved as in Fig. 1d or 1e, they do not teach or suggest the formation of an option contract with respect to that result nor do they teach or suggest how such an option might be priced. In the absence of any such teaching, the claims of the present application are not anticipated by the '918 patent.

In particular, claim 1 is not anticipated by the '918 patent because the '918 patent does not teach or suggest applicants' claimed display of a zone representing a proposed option on an asset nor does it teach the entry of preferred settings for the option in response to a displayed win ratio.

Independent claim 7 likewise is not anticipated by the '918 patent because it does not teach or suggest applicants' claimed steps of receiving parameters of a proposed option on an asset, calculating a win ratio for the asset, and transmitting the win ratio.

Computer software claim 10 is not anticipated by the '918 patent because the '918 patent does not teach or suggest software for generating a graphical display of an option.

Independent claim 15 likewise is not anticipated by the '918 patent because the '918 patent does not teach or suggest a method of pricing box options including such steps as receiving data representing parameters of the box option, computing the probability of hitting the box from the front, from the top, from the bottom and from anywhere and computing the price for the option according to the specific formula set forth in the claim.

Dependent claims 2-6, 8, 9, 11-14 and 16-18 are believed patentable for the same reason the independent claims on which they depend are patentable and for the additional reason that they specify further details of applicants' method of creating and/or pricing options that are not disclosed or suggested in the '918 patent.

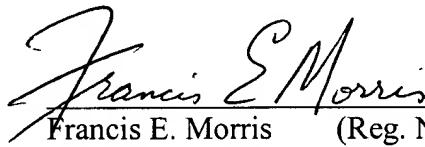
For the foregoing reasons it is submitted that the claims in this application are patentable and in condition for allowance. Such action is respectfully requested.

Aside from the fee for the petition for extension of time, no additional fee is believed to be required for this amendment. If, however, a fee is due, please charge such fee to Morgan, Lewis & Bockius LLP's Deposit Account No. 50-0310.

If the Examiner believes that a telephone conference would expedite prosecution of this application, she is invited to call the undersigned at the number given below.

Respectfully submitted,

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